



# Public Service Commission of Wisconsin

Burneatta Bridge, Chairperson  
Ave M. Bie, Commissioner  
Robert M. Garvin, Commissioner

610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

**For Immediate Release** – January 12, 2004

Contact: Linda Barth  
(608) 266-9600

## Supreme Court Passes on Challenge to Wisconsin's Holding Company Act

MADISON - The U.S. Supreme Court's decision not to review a case challenging Wisconsin's Holding Company Act, is a major victory for consumers and ratepayers, according to the Public Service Commission and the Department of Justice.

The Supreme Court refused to take up Alliant vs. Bie today. The case challenged the Wisconsin law that provides regulators with oversight of investments of a holding company that owns a regulated utility and provides them the authority to assure that holding company transactions do not impair the financial stability of the utility. The Department of Justice defended the case for the state of Wisconsin.

"We have seen how poor business decisions can impact the energy market and consumers with the California blackouts in 2000 and with the fall of Enron," Burnie Bridge, Chairperson of the PSC, explained. "I am pleased that Wisconsin's Holding Company Act, which provides regulators with the ability to protect the utility from risky outside financial ventures of the holding company, has withstood court challenges."

In 2000, Alliant Energy sued the Public Service Commission alleging that Wisconsin's Holding Company Act unfairly restricted interstate commerce. District Judge Shabazz upheld the law in May, 2002 and, after an appeal by Alliant Energy, the 7<sup>th</sup> Circuit Court also held that Wisconsin's law is constitutional in May 2003.

Under the law, the PSC can restrict a holding company from using equity from a regulated utility for outside business ventures. The Commission conducts regular audits of utility holding company systems and examines their capital structure to assure the financial integrity of the utility company. "The Supreme Court's decision not to review the lower courts' decisions in this case, puts the issue to rest and allows us to continue our process to make sure that Wisconsin utilities are financially sound and well-managed," Commissioner Ave Bie said.

(END)